

**Title 10**  
**DEPARTMENT OF HEALTH AND MENTAL**  
**HYGIENE**

**Subtitle 09 MEDICAL CARE PROGRAMS**

**10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations**

Authority: Health-General Article, §§2-104, 15-102.3, and 15-103; Insurance Article, §§15-112, 15-605, and 15-1008; Annotated Code of Maryland

**Notice of Proposed Action**

[15-404-P]

The Secretary of Health and Mental Hygiene proposes to amend Regulation .19 under **COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations**.

**Statement of Purpose**

The purpose of this action is to implement the mid-year adjustment to the calendar year 2015 HealthChoice MCO's rates and to implement the calendar year 2016 HealthChoice MCO's rates.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

**I. Summary of Economic Impact.** The HealthChoice CY 2015, MCO Midyear rate adjustment is an overall increase of \$150,781,910, primarily due to an adjustment to the 100 percent federally funded childless adult rates. However, this overall increase includes a \$57,111,579 general fund decrease due to decreasing the non-childless adults' rates to the lower bound, decreasing physician fees to 92 percent of Medicare rates and adjusting for HSCRC hospital rate changes.

The HealthChoice CY 2016 MCO rate adjustment is an increase of \$41,509,343 or 5.9 percent. This increase includes an observed medical trend increase of 1.75 percent. Additionally, the childless adult population within HealthChoice includes a 3.6 percent increase due to the impact of the updated CY 2014 experience. The combined total related to the MCO CY 2015 Midyear (\$-57,111,579) and CY 2016 (\$41,509,343), rates is \$-15,602,236.

<b>II. Types of Economic Impact.</b>	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	(E-)	\$15,602,236
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+)	Magnitude
	Cost (-)	
D. On regulated industries or trade groups:	(-)	\$15,602,236
E. On other industries or trade groups:	NONE	

F. Direct and indirect effects on public: NONE

**III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A. For CY 2015 there is an overall decrease of \$57,111,579 in general funds.  
For CY 2016, there is a 5.9 percent (\$41,509,343) increase to the Department's expenses due to the rate increase.

D. For CY 2015 there is an overall decrease of \$57,111,579 in general funds.  
For CY 2016, there is an overall 5.9 percent (\$41,509,343) increase to the MCOs revenue.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Michele Phinney, Director, Office of Regulation and Policy Coordination, Department of Health and Mental Hygiene, 201 West Preston Street, Room 512, Baltimore, MD 21201, or call 410-767-6499; TTY:800-735-2258, or email to [dhmh.regs@maryland.gov](mailto:dhmh.regs@maryland.gov), or fax to 410-767-6483. Comments will be accepted through January 27, 2016. A public hearing has not been scheduled.

**.19 MCO Reimbursement.**

A. (text unchanged)

B. Capitation Rate-Setting Methodology.

(1)—(3) (text unchanged)

(4) Except to the extent of adjustments required by §D of this regulation or by Regulations .19-1—.19-4 of this chapter, the Department shall make payments monthly at the rates specified in the following tables:

[(a)—(d)] (proposed for repeal)

(a) *Rate Table for Families and Children Effective July 1, 2015 — December 31, 2015*

	Age/RAC	Gender	PMPM Baltimore City	PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties	PMPM Rest of State
	<i>Under age 1 Birth Weight 1500 grams or less</i>	<i>Both</i>	\$7,694.16	\$6,485.95	\$6,779.66
	<i>Under age 1 Birth Weight over 1500 grams</i>	<i>Both</i>	\$424.31	\$357.68	\$373.88
	<i>1-5</i>	<i>Male</i>	\$204.32	\$172.23	\$180.03
		<i>Female</i>	\$161.74	\$136.36	\$142.52
	<i>6-14</i>	<i>Male</i>	\$96.84	\$81.63	\$85.33
		<i>Female</i>	\$96.06	\$80.98	\$84.65
	<i>15-20</i>	<i>Male</i>	\$108.05	\$91.08	\$95.21
		<i>Female</i>	\$174.64	\$147.22	\$153.88
	<i>21-44</i>	<i>Male</i>	\$232.79	\$178.60	\$204.44
		<i>Female</i>	\$356.17	\$273.25	\$312.79
	<i>45-64</i>	<i>Male</i>	\$512.71	\$393.35	\$450.27
		<i>Female</i>	\$565.39	\$433.76	\$496.54
<i>ACG—adjusted cells</i>					
<i>ACG 100, 200, 300, 400, 500, 600, 700, 900, 1000, 1100, 1200, 1300, 1600, 1710, 1711, 1712, 1720, 1721,</i>	<i>RAC 1F</i>	<i>Both</i>	\$210.85	\$161.76	\$185.17

1722, 1730, 1731, 1732, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3800, 4210, 5100, 5110, 5200 5230, 5310, 5339					
ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 2F	Both	\$331.03	\$253.97	\$290.72
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 3F	Both	\$431.03	\$330.68	\$378.53
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 4F	Both	\$606.15	\$465.03	\$532.33
ACG 4430, 4730, 4930, 5030, 5050	RAC 5F	Both	\$803.57	\$616.49	\$705.71
ACG 4940, 5060	RAC 6F	Both	\$1,029.15	\$789.55	\$903.81
ACG 5070	RAC 7F	Both	\$1,648.64	\$1,264.83	\$1,447.87
ACG 100, 200, 300, 500, 600, 1100, 1600, 2000, 2400, 3400, 5100, 5110, 5200	RAC 1G	Both	\$80.41	\$67.79	\$70.86
ACG 400, 700, 900, 1000, 1200, 1300, 1710, 1711, 1712, 1800, 1900, 2100, 2200, 2300, 2800, 2900, 3000, 3100, 5310	RAC 2G	Both	\$110.25	\$92.94	\$97.15
ACG 1720,	RAC 3G	Both	\$140.78	\$118.67	\$124.05

1721, 1722, 1731, 1732, 1730, 2500, 3200, 3300, 3500, 3800, 4210, 5230, 5339					
ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 4G	Both	\$196.78	\$165.88	\$173.39
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 5G	Both	\$258.70	\$218.07	\$227.95
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 6G	Both	\$324.01	\$273.13	\$285.50
ACG 4430, 4730, 4930, 4940, 5030, 5050, 5060, 5070	RAC 7G	Both	\$771.45	\$650.31	\$679.76
SOBRA Mothers			\$681.39	\$522.76	\$598.41
Persons with HIV	ALL	Both	\$567.41	\$567.41	\$567.41

(b) Rate Table for Disabled Individuals Effective July 1, 2015—December 31, 2015

	Age/RAC	Gender	PMPM Baltimore City	PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties	PMPM Rest of State
	Under Age 1	Both	\$4,608.87	\$4,608.87	\$4,608.87
	1-5	Male	\$1,058.04	\$1,058.04	\$1,058.04
		Female	\$1,076.18	\$1,076.18	\$1,076.18
	6-14	Male	\$274.50	\$274.56	\$274.56
		Female	\$375.68	\$375.68	\$375.68
	15-20	Male	\$176.01	\$176.01	\$176.01
		Female	\$411.05	\$411.05	\$411.05
	21-44	Male	\$982.06	\$782.68	\$788.90
		Female	\$1,151.92	\$918.03	\$925.33
	45-64	Male	\$1,691.54	\$1,348.08	\$1,358.80
		Female	\$1,868.29	\$1,488.95	\$1,500.78
ACG—adjusted					

<i>cells</i>					
ACG 100, 200, 300, 1100, 1300, 1400, 1500, 1600, 1710, 1711, 1712, 1720, 1721, 1722, 1730, 1731, 1732, 1900, 2400, 2600, 2900, 3400, 5100, 5110, 5200, 5310	RAC 10	Both	\$253.72	\$202.20	\$203.81
ACG 400, 500, 700, 900, 1000, 1200, 1740, 1741, 1742, 1750, 1751, 1752 1800, 2000, 2100, 2200, 2300, 2500, 2700, 2800, 3000, 3100, 3200, 3300, 3500, 3900, 4000, 4310, 5330	RAC 11	Both	\$313.83	\$250.11	\$252.10
ACG 600, 1760, 1761, 1762, 3600, 3700, 4100, 4320, 4410, 4710, 4810, 4820	RAC 12	Both	\$623.82	\$497.16	\$501.11
ACG 3800, 4210, 4220, 4330, 4420, 4720, 4910, 5320	RAC13	Both	\$678.50	\$540.74	\$545.03
ACG 800, 4430, 4510, 4610, 5040, 5340	RAC14	Both	\$870.61	\$693.84	\$699.35
ACG 1770, 1771, 1772, 4520, 4620, 4830, 4920, 5050	RAC15	Both	\$1,208.39	\$963.04	\$970.69
ACG 4730, 4930, 5010	RAC16	Both	\$1,276.91	\$1,017.65	\$1,025.73
ACG 4940, 5020, 5060	RAC17	Both	\$1,712.90	\$1,365.11	\$1,375.96
ACG 5030, 5070	RAC 18	Both	\$3,121.65	\$2,487.82	\$2,507.59
Persons with AIDS	All	Both	\$2,281.32	\$1,440.60	\$1,440.60
Persons with HIV	All	Both	\$1,586.71	\$1,586.71	\$1,586.71

(c) Rate Table for Supplemental Payments for Delivery/Newborn and Hepatitis C Therapy Effective July 1, 2015—December 31, 2015

	<i>Age</i>	<i>Gender</i>	<i>Baltimore City</i>	<i>Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties</i>	<i>Rest of State</i>
<i>Supplemental Payment Cells</i>					
<i>Delivery/Newborn-all births except live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$13,752.36</i>	<i>\$10,885.89</i>	<i>\$11,424.51</i>
<i>Delivery/Newborn-live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$68,538.66</i>	<i>\$70,225.77</i>	<i>\$70,225.77</i>
<i>Delivery/Newborn by same enrollee-subsequent live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$13,752.36</i>	<i>\$11,149.01</i>	<i>\$11,700.64</i>
<i>Hepatitis C Therapy (per member per month)</i>	<i>All</i>	<i>Both</i>	<i>\$30,960.86</i>	<i>\$30,960.86</i>	<i>\$30,960.86</i>

*(d) Rate Table for Childless Adult Population Effective July 1, 2015—December 31, 2015*

	<i>PMPM Baltimore City</i>	<i>PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties</i>	<i>PMPM Rest of State</i>
<i>Under 45 Male</i>	<i>\$452.20</i>	<i>\$346.92</i>	<i>\$397.13</i>
<i>Under 45 Female</i>	<i>\$554.53</i>	<i>\$425.43</i>	<i>\$487.00</i>
<i>45-64 Male</i>	<i>\$927.38</i>	<i>\$711.48</i>	<i>\$814.44</i>
<i>45-64 Female</i>	<i>\$922.73</i>	<i>\$707.91</i>	<i>\$810.36</i>
<i>HIV</i>	<i>\$911.37</i>	<i>\$699.20</i>	<i>\$800.38</i>

*(e) Rate Table for Families and Children Effective January 1, 2016 — December 31, 2016*

	<i>Age/RAC</i>	<i>Gender</i>	<i>PMPM Baltimore City</i>	<i>PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties</i>	<i>PMPM Rest of State</i>
	<i>Under age 1</i>	<i>Both</i>	<i>\$7,743.63</i>	<i>\$7,005.21</i>	<i>\$7,065.24</i>
	<i>Birth Weight 1500 grams or less</i>				
	<i>Under age 1</i>	<i>Both</i>	<i>\$482.83</i>	<i>\$436.79</i>	<i>\$440.53</i>
	<i>Birth Weight over 1500 grams</i>				
	<i>1-5</i>	<i>Male</i>	<i>\$200.07</i>	<i>\$180.99</i>	<i>\$182.54</i>
		<i>Female</i>	<i>\$160.30</i>	<i>\$145.01</i>	<i>\$146.26</i>
	<i>6-14</i>	<i>Male</i>	<i>\$103.44</i>	<i>\$93.58</i>	<i>\$94.38</i>
		<i>Female</i>	<i>\$94.07</i>	<i>\$85.10</i>	<i>\$85.83</i>
	<i>15-20</i>	<i>Male</i>	<i>\$108.97</i>	<i>\$98.58</i>	<i>\$99.43</i>
		<i>Female</i>	<i>\$169.12</i>	<i>\$152.99</i>	<i>\$154.30</i>
	<i>21-44</i>	<i>Male</i>	<i>\$243.37</i>	<i>\$184.76</i>	<i>\$208.08</i>
		<i>Female</i>	<i>\$363.85</i>	<i>\$276.22</i>	<i>\$311.08</i>
	<i>45-64</i>	<i>Male</i>	<i>\$516.78</i>	<i>\$392.33</i>	<i>\$441.84</i>
		<i>Female</i>	<i>\$579.54</i>	<i>\$439.97</i>	<i>\$495.50</i>
<i>ACG—adjusted cells</i>					

ACG 100, 200, 300, 400, 500, 600, 700, 900, 1000, 1100, 1200, 1300, 1600, 1710, 1711, 1712, 1720, 1721, 1722, 1730, 1731, 1732, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3800, 4210, 5100, 5110, 5200 5230, 5310, 5339	RAC 1F	Both	\$234.71	\$178.19	\$200.68
ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 2F	Both	\$365.76	\$277.68	\$312.72
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 3F	Both	\$509.74	\$386.98	\$435.82
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 4F	Both	\$700.96	\$532.15	\$599.31
ACG 4430, 4730, 4930, 5030, 5050	RAC 5F	Both	\$912.11	\$692.45	\$779.85
ACG 4940, 5060	RAC 6F	Both	\$1,186.61	\$900.84	\$1,014.54
ACG 5070	RAC 7F	Both	\$1,937.57	\$1,470.95	\$1,656.60
ACG 100, 200, 300, 500, 600, 1100, 1600, 2000, 2400, 3400, 5100, 5110, 5200	RAC 1G	Both	\$83.33	\$75.38	\$76.03
ACG 400, 700, 900, 1000, 1200, 1300,	RAC 2G	Both	\$108.76	\$98.39	\$99.23

1710, 1711, 1712, 1800, 1900, 2100, 2200, 2300, 2800, 2900, 3000, 3100, 5310					
ACG 1720, 1721, 1722, 1731, 1732, 1730, 2500, 3200, 3300, 3500, 3800, 4210, 5230, 5339	RAC 3G	Both	\$144.25	\$130.50	\$131.62
ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 4G	Both	\$199.24	\$180.24	\$181.78
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 5G	Both	\$291.56	\$263.75	\$266.02
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 6G	Both	\$335.25	\$303.28	\$305.88
ACG 4430, 4730, 4930, 4940, 5030, 5050, 5060, 5070	RAC 7G	Both	\$836.47	\$756.71	\$763.19
SOBRA Mothers			\$805.89	\$611.81	\$689.03
Persons with HIV	ALL	Both	\$545.73	\$545.73	\$545.73

(f) Rate Table for Disabled Individuals Effective January 1, 2016—December 31, 2016

	Age/RAC	Gender	PMPM Baltimore City	PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties	PMPM Rest of State
	Under Age 1	Both	\$5,026.41	\$5,026.41	\$5,026.41
	1-5	Male	\$1,435.12	\$1,435.12	\$1,435.12
		Female	\$1,214.16	\$1,214.16	\$1,214.16



	6-14	Male	\$282.11	\$282.11	\$282.11
		Female	\$489.96	\$489.96	\$489.96
	15-20	Male	\$176.91	\$176.91	\$176.91
		Female	\$318.52	\$318.52	\$318.52
	21-44	Male	\$984.85	\$842.67	\$837.04
		Female	\$1,226.41	\$1,049.36	\$1,042.34
	45-64	Male	\$1,925.30	\$1,647.35	\$1,636.33
		Female	\$1,896.96	\$1,623.10	\$1,612.25

ACG—adjusted cells					
ACG 100, 200, 300, 1100, 1300, 1400, 1500, 1600, 1710, 1711, 1712, 1720, 1721, 1722, 1730, 1731, 1732, 1900, 2400, 2600, 2900, 3400, 5100, 5110, 5200, 5310	RAC 10	Both	\$261.77	\$223.98	\$222.48
ACG 400, 500, 700, 900, 1000, 1200, 1740, 1741, 1742, 1750, 1751, 1752 1800, 2000, 2100, 2200, 2300, 2500, 2700, 2800, 3000, 3100, 3200, 3300, 3500, 3900, 4000, 4310, 5330	RAC 11	Both	\$344.31	\$294.60	\$292.63
ACG 600, 1760, 1761, 1762, 3600, 3700, 4100, 4320, 4410, 4710, 4810, 4820	RAC 12	Both	\$655.79	\$561.12	\$557.37
ACG 3800, 4210, 4220, 4330, 4420, 4720, 4910, 5320	RAC13	Both	\$742.26	\$635.10	\$630.85
ACG 800, 4430, 4510, 4610, 5040, 5340	RAC14	Both	\$901.50	\$771.35	\$766.20
ACG 1770, 1771, 1772, 4520, 4620, 4830, 4920, 5050	RAC15	Both	\$1,257.74	\$1,076.16	\$1,068.97
ACG 4730, 4930, 5010	RAC16	Both	\$1,339.25	\$1,145.91	\$1,138.25

ACG 4940, 5020, 5060	RAC17	Both	\$1,912.89	\$1,636.73	\$1,625.79
ACG 5030, 5070	RAC 18	Both	\$3,374.05	\$2,886.94	\$2,867.64
Persons with AIDS	All	Both	\$2,233.89	\$1,272.50	\$1,272.50
Persons with HIV	All	Both	\$1,487.41	\$1,487.41	\$1,487.41

(g) Rate Table for Supplemental Payments for Delivery/Newborn and Hepatitis C Therapy Effective January 1, 2016—December 31, 2016

	Age	Gender	Baltimore City	Allegany, Frederick, Garrett, Montgomery, Prince George's, and Washington Counties	Rest of State
<i>Supplemental Payment Cells</i>					
Delivery/Newborn-all births except live birth weight 1,500 grams or less	All	Both	\$13,656.29	\$10,784.85	\$11,076.82
Delivery/Newborn-live birth weight 1,500 grams or less	All	Both	\$71,476.85	\$71,476.85	\$71,476.85
Delivery/Newborn by same enrollee- subsequent live birth weight 1,500 grams or less	All	Both	\$13,656.29	\$10,784.85	\$11,076.82
Hepatitis C Therapy (per member per month)	All	Both	\$31,370.40	\$31,370.40	\$31,370.40

(h) Rate Table for Childless Adult Population Effective January 1, 2016—December 31, 2016

	Age/RAC	Gender	PMPM Baltimore City	PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's and Washington Counties	PMPM Rest of State
	19-44	Male	\$507.68	\$357.65	\$444.09
	19-44	Female	\$618.45	\$435.69	\$540.99
	45-64	Male	\$1,085.87	\$764.98	\$949.87
	45-64	Female	\$1,069.12	\$753.18	\$935.23
ACG— adjusted cells					
ACG 100, 200, 300, 400, 500, 600, 700, 900, 1000, 1100, 1200, 1300, 1600, 1710, 1711, 1712, 1720, 1721, 1722, 1730, 1731, 1732, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3800, 4210, 5100, 5110, 5200 5230, 5310,	RAC 1H	Both	\$263.18	\$185.41	\$230.22

5339					
ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 2H	Both	\$484.90	\$341.61	\$424.17
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 3H	Both	\$744.87	\$524.75	\$651.58
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 4H	Both	\$821.32	\$578.61	\$718.46
ACG 4430, 4730, 4930, 5030, 5050	RAC 5H	Both	\$1,043.29	\$734.99	\$912.63
ACG 4940, 5060	RAC 6H	Both	\$1,321.33	\$930.86	\$1,155.84
ACG 5070	RAC 7H	Both	\$1,932.21	\$1,361.21	\$1,690.21
HIV	19-64	Both	\$897.43	\$897.43	\$897.43

[(e)] (i)—[(h)] (l) (text unchanged)

(5) (text unchanged)

C.—D. (text unchanged)

VAN T. MITCHELL  
Secretary of Health and Mental Hygiene